



Real Possibilities

**Testimony of AARP CT
Opposition to Senate Bill Number 110
AAC Fraud Prevention In Connecticut's Utility Termination Protection Programs.
February 20, 2014**

AARP strongly opposes S.B. 110 and urges the committee to reject the bill.

Senate Bill Number 110 claims to address fraud. However, there is no indication of fraud in the protections in existing law and the proposal does not include provisions likely to avoid fraud in any case.

Most utility customers who are seriously ill or in a life-threatening situation if utility service is lost, pay their utility bills. Current law provides protections where customers cannot afford to pay their full utility bill.

Under current law, persons with a serious illness can only maintain utility service if they enter into a reasonable payment agreement. The law now prohibits use of termination of utility service as a collection tactic only if a utility shut-off would result in a life-threatening situation as the risk in this situation is untenable. To invoke the protections of the law, utility customers must now obtain certification from their medical provider that a household member is seriously ill or that a shut-off would be life-threatening. The Public Utilities Regulatory Authority (PURA) has responsibility for regulations that guide invoking these protections, and has carried out this responsibility effectively for many years. The law should not be modified – PURA is in the best position to sort out appropriate regulations and provide oversight.

The proposal requires medical certification of serious illness or a life-threatening condition to access protection from loss of utility service. This is already a requirement in existing PURA regulations and therefore this provision is merely redundant to existing law.

The proposal redefines “seriously ill” as life-threatening. Since having a household member with a serious illness only provides a customer with a right to a reasonable payment agreement to maintain utility service, it is unclear why any limitation of this portion of the law is proposed. It is desirable policy protecting health and safety to allow any utility customer to maintain service if it is at all reasonably possible to arrange, particularly if the loss of service could result in harm.

The proposal would severely limit who is considered to be in a life-threatening situation if utility service is terminated, leaving many vulnerable individuals without access to the protection that may be the only way to ensure their survival. It would require that a household member be “dependent upon life-sustaining equipment operated by electricity with no battery backup that is prescribed by a licensed physician and is necessary to sustain ... the life of a member of the customer's household.” Certain electrically operated equipment may be “prescribed” by a physician to sustain an individual’s life, but

other equipment may be something that doesn't require a prescription. In some cases, for example, air filtration or air conditioning may be critical to an individual's survival. Even equipment with battery back-up typically needs to be recharged periodically, which cannot be accomplished if electricity has been terminated.

Individuals may be vulnerable to a loss of life without utility service because of a condition that leaves them dependent on utility service, not medical equipment. For example, refrigerated medications may be essential, running and hot water may be critical to maintain adequate sanitary conditions for someone with a compromised immune system, food storage and preparation for a special diet may be impossible without electricity. As PURA regulations now recognize, there is no easy definition of a life-threatening situation, the reason medical providers are asked to certify that their individual patient's life, given that individual's medical status, would be threatened by a utility termination. Medical providers are the only ones with the knowledge and skill to make this certification. They are licensed to provide medical evaluation and care based on training and expertise, and are subject to sanction if they do not act in accordance with professional standards. There simply is no reason to believe medical providers will behave any way other than professionally and no evidence that they have over the years in this program. Even the Social Security Administration has a "treating physician" rule that defers to a treating medical provider's evaluation of a patient.

Under existing PURA regulations, a utility can contest the validity of a certification of serious illness or a life-threatening condition. However, without a significant infusion of state revenues to allow PURA to retain the expert medical staff to evaluate such certifications, PURA will not be in a position to second-guess professional certifications to determine the type of abuse the proposal seeks to have reviewed. In the absence of evidence of abuse and fraud, state investment in such staffing makes no sense in fiscally challenged times. There is also the policy question of whether critical protections of access to necessary utility service in monopoly settings should be dependent on an individual waiving privacy regarding health conditions and needs to allow for such a redundant analysis.

Illogically, the proposal adds an income cap (up to 300% of the federal poverty level or \$0 to \$35,010 annual income for a single person household) and an asset test that may not provide an accurate indication of an individual's ability to fully pay a debt to the utility company, and it removes protection from a household based on that household's actual circumstances when they threaten deprivation of food and other necessities. Customers would have to document they fit within the income and asset limits, something that may be difficult or impossible to do while ill or in a timely manner to avoid a termination of an essential service.

Seniors are likely to be a particularly vulnerable population if accessing protections from a utility shut-off is circumscribed or made complicated. As we age, the incidence of disability increases and competencies may be compromised, including the ability to navigate a difficult process to get the protections needed to maintain an essential service. Add illness to this and it may well be functionally impossible to access needed protections. Many seniors are afraid or embarrassed to reveal their financial situation in any detail and may have difficulty providing documentation needed in the proposal; it should not be necessary to fully reveal personal finances and document them to obtain protections needed to avoid harm or death.

Existing law is working and prevents harm. This bill could easily cause irreparable harm to very vulnerable citizens. AARP urges rejection.